

Volinia Township - Cass County

Financial Statements

March 31, 2008

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <u>Volinia Township</u>	County <u>Cass</u>
Fiscal Year End <u>March 31, 2008</u>	Opinion Date <u>Aug 1, 2008</u>	Date Audit Report Submitted to State <u>August 29, 2008</u>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

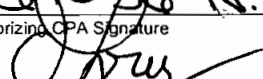
YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations		<input checked="" type="checkbox"/>		
Other (Describe)		<input type="checkbox"/>		
Certified Public Accountant (Firm Name) <u>David F. Lacey, CPA PC</u>		Telephone Number		
Street Address <u>6703 N. M-66</u>		City <u>Sturgis</u>	State <u>MI</u>	Zip <u>49091</u>
Authorizing CPA Signature 		Printed Name <u>D. Lacey</u>		License Number

Volinia Township - Cass County

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INDEPENDENT AUDITOR'S REPORT

To the Township Board
Volinia Township - Cass County
Decatur, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Volinia, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Volinia, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinions.

As discussed in the notes to the financial statements, management has not reported its financial statement under GASB 34 reporting format. As a result, no management discussion and analysis report, government wide statement of net assets, or government wide statement of activities is included. Management has not recorded certain general assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets and expenses of the governmental activities. The amount by which this departure would affect the assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Township of Volinia, Michigan, as of March 31, 2008, and the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Volinia, Michigan as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'D. Locey', with a stylized flourish at the end.

David R. Locey, CPA, PC
Sturgis, Michigan
August 1, 2008

Volinia Township - Cass County
Combined Balance Sheet
All Fund Types
March 31, 2008

	Governmental Fund Types	Fiduciary Fund Types	Account Groups	Total (Memorandum Only)
	General	Trust and Agency	General Fixed Assets	Reporting Entity
<u>ASSETS</u>				
Cash	\$120,867	\$12,497	\$0	\$133,364
Receivables				
Taxes and State	26,512	0	0	26,512
Fixed Assets, at Cost, No Allowance				
For Depreciation	0	0	111,268	111,268
Prepaid Expenses	8,266	0	0	8,266
Total Assets	<u>\$155,645</u>	<u>\$12,497</u>	<u>\$111,268</u>	<u>\$279,410</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Accounts Payable	<u>\$3,452</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,452</u>
Total Liabilities	<u>3,452</u>	<u>0</u>	<u>0</u>	<u>3,452</u>
Fund Equity				
Reserved for				
Perpetual Care	0	12,497	0	12,497
Fire/Ambulance	(86,571)	0	0	(86,571)
Unreserved-Undesignated	238,764	0	0	238,764
Investment in General Fixed Assets	<u>0</u>	<u>0</u>	<u>111,268</u>	<u>111,268</u>
Total Fund Equity	<u>152,193</u>	<u>12,497</u>	<u>111,268</u>	<u>275,958</u>
Total Liabilities and Fund Equity	<u>\$155,645</u>	<u>\$12,497</u>	<u>\$111,268</u>	<u>\$279,410</u>

Volinia Township - Cass County
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended March 31, 2008

	Governmental Fund Types	Total (Memorandum Only)
	General	Reporting Entity
Revenues		
Taxes - General	\$45,155	\$45,155
Taxes - Fire/Ambulance	31,851	31,851
Licenses, Permits, and Fees	8,420	8,420
State Grants	80,355	80,355
Charges for Services	10,818	10,818
Interest	1,188	1,188
Other Revenue	1,428	1,428
	<hr/>	<hr/>
Total Revenues	179,215	179,215
	<hr/>	<hr/>
Expenditures		
Current		
Legislative-Township Board	18,499	18,499
General Government	71,986	71,986
Public Safety	47,778	47,778
Public Works	15,921	15,921
	<hr/>	<hr/>
Total Expenditures	154,184	154,184
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	25,031	25,031
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Operating Transfers In	0	0
Operating Transfers (Out)	0	0
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	0	0
	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	25,031	25,031
	<hr/>	<hr/>
Fund Balance - Beginning of the Year	127,162	127,162
	<hr/>	<hr/>
Fund Balance - End of the Year	\$152,193	\$152,193
	<hr/>	<hr/>

Volinia Township - Cass County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended March 31, 2008

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes - General	\$40,865	\$45,155	\$4,290
Taxes - Fire/Ambulance	29,000	31,851	2,851
Licenses, Permits, and Fees	12,986	8,420	(4,566)
State Grants	81,000	80,355	(646)
Charges for Services	10,030	10,818	788
Interest	1,086	1,188	102
Other Revenue	1,125	1,428	303
Total Revenues	176,092	179,215	3,123
Expenditures			
Current			
Legislative-Township Board	18,700	18,499	201
General Government	90,394	71,986	18,408
Public Safety	81,600	47,778	33,822
Public Works	31,842	15,921	15,921
Total Expenditures	222,536	154,184	68,353
Excess of Revenues Over (Under) Expenditures	(46,444)	25,031	71,476
Other Financing Sources (Uses)			
Operating Transfers In	0	0	0
Operating Transfers (Out)	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(46,444)	25,031	71,476
Fund Balance - Beginning of the Year	127,162	127,162	0
Fund Balance - End of the Year	\$80,718	\$152,193	\$71,476

Volinia Township - Cass County
Statement of Revenues, Expenditures and Changes in Fund Balances - Nonexpendable Trust Fund
For the Year Ended March 31, 2008

	<u>FIDUCIARY FUND TYPE</u>
	<u>Non- Expendable Cemetery Trust</u>
Nonoperating Revenues	
Interest Earned on Investments	<u>\$0</u>
Total Nonoperating Revenues	<u>0</u>
Nonoperating Income (Loss)	<u>0</u>
Nonoperating Revenues (Expenses)	
Transfers In(Out)	<u>0</u>
Total Nonoperating Revenues (Expenses)	<u>0</u>
Net Income	<u>0</u>
Fund Balance - Beginning of the Year	<u>586</u>
Fund Balance - End of the Year	<u><u>\$586</u></u>

Volinia Township - Cass County
Statement of Cash Flows
Nonexpendable Trust Fund
For the Year Ended March 31, 2008

	<u>FIDUCIARY FUND TYPE</u>
	Non- Expendable Cemetery Trust
Cash Flows From Noncapital Financing Activities	
Transfers In(Out)	<u>\$0</u>
Net Cash Provided by Noncapital Financing Activities	<u>0</u>
Cash Flows From Investing Activities	
Interest on Investments	<u>0</u>
Net Cash Provided by Investing Activities	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	0
Cash and Cash Equivalents at Beginning of Year	<u>586</u>
Cash and Cash Equivalents at End of Year	<u><u>\$586</u></u>

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Volinia Township is located in Cass County and provides services in many areas including public safety, highways, and streets, and general administrative services. The Township is governed by a five member board elected by the citizens of Volinia Township. The Board consists of the supervisor, clerk, treasurer and two trustees who reside in the community.

PRINCIPLES USED IN DETERMINING THE SCOPE OF ENTITY FOR FINANCIAL REPORTING PURPOSES

REPORTING ENTITY

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township (the primary government) and its component units (none). The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading, if data were not included.

BASIS OF PRESENTATION

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPES

General Fund – This fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, State Revenue Sharing distributions, and permits.

FIDUCIARY FUND TYPES

Trust and Agency Funds – Used to account for the assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not include measurement or results of operations.

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

GENERAL FIXED ASSETS ACCOUNT GROUP

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in general fixed assets account group, rather than in governmental funds. Assets are stated at cost at the date of original acquisition. No depreciation is recorded for these general fixed assets.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

GOVERNMENTAL FUNDS

All governmental funds utilize the modified accrual basis of accounting which provides that revenues be recorded when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recorded when the related liability is incurred.

FIDUCIARY FUNDS

The fiduciary funds are maintained on a cash basis which is consistent with the accounting measurement objectives of the funds. Reporting these funds on a cash basis does not have an effect materially different from reporting them on the accrual or modified accrual basis as required by generally accepted accounting principles.

Nonexpendable trust funds use the full accrual basis of accounting. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is incurred.

BUDGETS AND BUDGETARY ACCOUNTING

The annual budget is prepared by the Township Board and adopted by the Township Board at the annual public hearing. All subsequent amendments to the budget are approved by the Township Board. The General Fund is under formal budgetary control. The budget has been prepared in accordance with generally accepted accounting principles. The budget has been adopted on an activity basis.

All encumbrances lapse at the end of each fiscal year.

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgeted revenues and expenditures include any authorized amendments to the original budget as adopted.

Public Act 621 of 1978, Section 18(1), as amended requires the adoption of a balanced budget for the General fund, as well as budgeted amendments as needed to prevent actual expenditures from exceeding those amounts appropriated.

No expenditures exceeded appropriate amounts.

REVENUE RECOGNITION – PROPERTY TAX REVENUE RECOGNITION

The Township's 2007 ad valorem tax is levied and collectible on December 1, 2007, based on the assessments made the previous December 31. It is the Township's policy to recognize revenues from the current tax levy in the current year when the proceeds of this levy are budgeted and made available for financing of the Township operations. Property taxes are recognized when levied since the County purchases the delinquent taxes each year.

TOTAL COLUMN ON COMBINED STATEMENTS – OVERVIEW

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation because interfund elimination's have not been made in the aggregation of this data.

CASH AND CASH EQUIVALENTS

Deposits are carried at cost. Deposits of the Township are at one bank in the name of Volinia Township. Michigan compiled Laws (MCL), Section 129.91, authorizes a local unit to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds securities, and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; mutual funds composed of investment

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which matures not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

The Governmental Accounting Standards Board (GASB) Statement No. 3, risk disclosures for the Township's cash deposits are as follows:

	<u>Reporting Unit</u>
<u>Deposits</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$100,000
Uninsured	<u>21,453</u>
Total Deposits	<u><u>\$133,364</u></u>

Cash equivalents are money market accounts with maturity of 90 days or less – because of liquidity they are considered the same as cash.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has participated in the Michigan Township Participating Plan (MTPP) since January 1, 1987. The plan covers general liability, non-owned/hired automobile liability, errors and omissions, property damage, and inland marine. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

The MTPP was created pursuant to the authority of a: Article 7, Section 28, Michigan Constitution of 1963; b) Section 1, Chapter 124, Michigan Compiled Laws (PA No. 35, 1951, as amended by PA No. 138, 1982). The Township voted unanimously to enter into this cooperative action agreement October 2, 1986 and have continued their membership since.

The Michigan Township Participating Plan was established April 1, 1985, pursuant to laws of the State of Michigan which authorize local units of government to exercise jointly any power, privilege or authority which each might exercise separately. The purpose of the plan is to jointly exercise powers common to each participating member; to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses occurring in the operation of its members; and to defend and protect, in accordance with this agreement, any member of the authority against liability or loss. The powers and duties created hereunder and the described activities of the plan are not intended to constitute the issuance of a policy of insurance. The members intend, in the creation of the plan, to establish an organization for joint risk management and have not created as between member and member any relationship for the debts of or claims against any member.

The MTPP, while it operates under the Michigan Legislation of PA 138, does not operate as a risk pool due to a total transfer of risk to reinsurance companies backing the Participating Plan. Due to this reinsurance purchase, there is no pooling of risk between members. The plan has protected itself by purchasing reinsurance. Participating Plan chose to adopt the forms and endorsements of conventional insurance protection and to reinsure these coverage's 100 percent, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have reinsurance above that retention amount.

The Plan has reinsured 100 percent of its loss reserves and consequently has not reflected a liability for loss reserves on its balance sheet. In July 1992, the Plan entered into a negotiated settlement with Governmental Casualty Insurance Company (GCIC) and agreed to execute a commutation agreement whereby liability for all risks assumed by GCIC under their reinsurance agreements with the plan would be commuted back to the Plan. The Plan entered into a similar agreement with American Commercial Liability Insurance Company.

Based on actuarial study performed by William M. Mercer, Inc., the MTPP had the following open case reserves and IBNR reserves at June 30, 1996 under these commutation agreements:

<u>Case</u> <u>Loss Reserves</u>	<u>IBNR</u> <u>Reserves</u>	<u>Total</u> <u>Reserves</u>
\$313,550	\$31,252	\$344,802

Volinia Township - Cass County
Notes to Financial Statements
Year Ended March 31, 2008

RISK MANAGEMENT

At June 30, 1996, the Plan has reinsurance limits in the amount of \$693,119 to cover the reserves.

The plan has continued to use the services of Integrated Runoff Insurance Services Corporation (IRISC) to assist in formalizing loss reserve standards and in settling loss and loss adjustment expense reserves. IRISC has maintained its philosophy that the potential for governmental immunity should be ignored when setting case reserves, even though trends continue to indicate that average cases close for substantially less than the reserve estimates.

POST EMPLOYMENT BENEFITS

The Township participates in a money purchase pension plan, this defined contribution plan of which the employer pays 10% of the employee's annual compensation and the employee pays 0%. The plan administrator is Municipal Retirement Systems out of Waterford, Michigan. There are no vesting requirements and no exclusions of compensation. An Eligible employee shall become a participant as of the first day of the plan year on the next following date on which he or she meets the requirements. During the current year \$2,638 was the contribution funded by the Township for the participating employees.

COMMITMENTS AND CONTINGENCIES

Management of the Township is not aware of any material commitments or contingent liabilities.

FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 04/01/2007	Additions	Deletions	Balance 03/31/2008
Equipment & Buildings	\$111,268	\$ 0	\$ 0	\$ 111,268
Total	\$111,268	\$ 0	\$ 0	\$ 111,268

GASB 34 REPORTING FINANCIAL

Township has elected not to convert to GASB 34 format, therefore assets owned by the Township such as building and equipment are not stated at current values as of 03/31/2008, also no current charge is being recorded for current year depreciation. Accordingly the Management and Discussion Analysis Letter, Statement of Net Assets, and Statement of Activities are not included per GASB 34 format.

Volinia Township - Cass County
Statement of Revenues and Other Financing Sources Budget and Actual - General Fund
For the Year Ended March 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes			
Taxes - General	\$31,700	\$34,644	\$2,944
Taxes - Fire/Ambulance	29,000	31,851	2,851
Property Tax Administration Fee	9,165	10,511	1,346
Total Property Taxes	69,865	77,006	7,141
Licenses and Permits			
Permits - Fees	12,986	8,420	(4,566)
Total Licenses and Permits	12,986	8,420	(4,566)
State Aid	81,000	80,355	(646)
Total State Aid	81,000	80,355	(646)
Charge for Services			
Landfill	1,100	1,559	459
Burial Fees	3,200	3,260	60
Lot Sales	1,130	1,000	(130)
Dust Control	4,600	4,999	399
Total Charge for Services	10,030	10,818	788
Interest	1,086	1,188	102
Total Interest	1,086	1,188	102
Other Revenue			
Rent	325	150	(175)
Miscellaneous - Other Revenue	800	1,278	478
Total Other Revenue	1,125	1,428	303
Total Revenue	176,092	179,215	3,123
Other Financing Sources			
Operating Transfers In	0	0	0
Total Other Financing Sources	0	0	0
Total Revenue and Other Financing Sources	\$176,092	\$179,215	\$3,123

The Notes to Financial Statements are an integral part of this statement.

Volinia Township - Cass County
Statement of Expenditures Budget and Actual - General Fund
For the Year Ended March 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
Legislative			
Township Board	\$18,700	\$18,499	\$201
Total Legislative	18,700	18,499	201
General Government			
Supervisor	6,860	6,670	190
Assessor	11,000	7,332	3,668
Township Hall	5,750	3,101	2,649
Clerk	10,715	9,009	1,706
Board of Review	1,610	1,350	260
Treasurer	19,485	16,598	2,887
Cemetery	29,449	25,588	3,861
Zoning Board of Appeals	1,075	0	1,075
Election	4,450	2,337	2,113
Total General Government	90,394	71,986	18,408
Public Safety			
Fire Protection/Ambulance	58,250	42,185	16,065
Inspection Services	16,650	4,478	12,172
Planning Commission Board of Appeals	6,700	1,115	5,585
Total Public Safety	81,600	47,778	33,822
Public Works			
Roads/Dust Control	22,167	8,814	13,353
Landfill	9,675	7,107	2,568
Total Public Works	31,842	15,921	15,921
Total Expenditures	\$222,536	\$154,184	\$68,353

Volinia Township - Cass County
Combining Balance Sheet - Trust and Agency Funds
For the Year Ended March 31, 2008

	AGENCY FUND	TRUST FUND	
	Tax Collection	Non Expendable Cemetery	Total
<u>ASSETS</u>			
Cash and Interest Bearing Deposits	\$11,911	\$586	\$12,497
Total Assets	<u>\$11,911</u>	<u>\$586</u>	<u>\$12,497</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities - Special Assessment	\$11,911	\$0	\$11,911
Total Liabilities	<u>11,911</u>	<u>0</u>	<u>11,911</u>
Fund Equity			
Reserve for Perpetual Care	0	586	586
Total Fund Equity	<u>0</u>	<u>586</u>	<u>586</u>
Total Liabilities and Fund Equity	<u>\$11,911</u>	<u>\$586</u>	<u>\$12,497</u>

Volinia Township - Cass County
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended March 31, 2008

TAX COLLECTION FUND

	<u>April 1, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>March 31, 2008</u>
Assets				
Cash	<u>\$0</u>	<u>\$1,034,512</u>	<u>\$1,022,601</u>	<u>\$11,911</u>
Total Assets	<u><u>\$0</u></u>	<u><u>\$1,034,512</u></u>	<u><u>\$1,022,601</u></u>	<u><u>\$11,911</u></u>
Liabilities	<u>\$0</u>	<u>\$1,034,512</u>	<u>\$1,022,601</u>	<u>\$11,911</u>
Total Liabilities	<u><u>\$0</u></u>	<u><u>\$1,034,512</u></u>	<u><u>\$1,022,601</u></u>	<u><u>\$11,911</u></u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Volinia Township Board
Decatur, Michigan

We have audited the general purpose financial statements of the Township of Volinia, as of and for the year ended March 31, 2008, and have issued our report thereon dated August 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

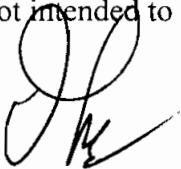
As part of obtaining reasonable assurance about whether the Township of Volinia's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Volinia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level risk that

Misstatements in amounts that would be material in relation to general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Township Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'D. Locey', with a stylized flourish at the end.

David F. Locey, CPA, PC
Sturgis, Michigan
August 1, 2008

David F. Locey, C.P.A., P.C.

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COMMENTS AND RECOMMENDATIONS

Volinia Township
Decatur, Michigan

During the course of the examination of Volinia Township's records for the year ended March 31, 2008, we are required by the State of Michigan to note any recommendations for improvements in reporting processes.

Comments and Recommendations - None.

We appreciate the opportunity of being of service to your Township and look forward to future engagements.



David F. Locey, CPA, PC
August 1, 2008